

1 KEVIN V. RYAN (CASBN 118321)
2 United States Attorney
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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 OAKLAND DIVISION
11

12 UNITED STATES OF AMERICA,)

13 Plaintiff,)

14 V.)

15 DAVID CONKEY and)
16 CAROL CONKEY,)

17 Defendants.)
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No. CR-01-40184-DLJ

21 U.S.C. § 846 – Conspiracy to Distribute
Iodine Knowing and Having Reasonable Cause
to Believe That It Will Be Used to
Manufacture Methamphetamine; 21 U.S.C.
§ 846 – Conspiracy to Distribute Red
Phosphorous Knowing, Intending, or Having
Reasonable Cause to Believe That It Will Be
Used to Manufacture Methamphetamine;
21 U.S.C. § 841(c)(2) – Possession and
Distribution of Iodine Knowing and
Having Reasonable Cause to Believe That It
Will Be Used to Manufacture
Methamphetamine; 21 U.S.C. § 843(a)(6) –
Possession of Red Phosphorous Knowing,
Intending, or Having Reasonable Cause to
Believe That It Will Be Used to Manufacture
Methamphetamine; 843(a)(7) – Distribution of
Red Phosphorous Knowing, Intending, or
Having Reasonable Cause to Believe That It
Will Be Used to Manufacture
Methamphetamine; 18 U.S.C. § 1957(a) –
Engaging in Monetary Transactions in Property
Derived from Specified Unlawful Activity; 18
U.S.C. § 1956(a)(1)(A)(i) – Money Laundering;
21 U.S.C. § 853(a)(1) and (p) – Criminal
Forfeiture

SUPERSEDING INDICTMENT

SUPERSEDING INDICTMENT
CR-01-40184-DLJ

1 COUNT ONE: (21 U.S.C. § 846)

2 The Grand Jury charges that:

3 Beginning at a time unknown to the Grand Jury, but not later than in and during
4 August, 1992 and continuing thereafter until at least in or about October, 2001 in the
5 County of Contra Costa, State and Northern District of California, and elsewhere,

6 DAVID CONKEY and
7 CAROL CONKEY,

8 defendants herein, willfully and knowingly did combine, conspire, confederate and agree
9 with each other and with other persons whose names are both known and unknown to the
10 Grand Jury, to possess and distribute iodine, a List II chemical, knowing and having
11 reasonable cause to believe that the iodine would be used to manufacture
12 methamphetamine and to aid and abet the possession and distribution of iodine, in
13 violation of Title 21, United States Code, Section 846.

14 Object of the Conspiracy

15 To sell iodine to buyers for the purpose of monetary gain, knowing or having reason
16 to know that the iodine would be used to manufacture methamphetamine.

17 Means and Methods of the Conspiracy

18 The defendants and their coconspirators accomplished and attempted to accomplish
19 the objects of the conspiracy through the following means and methods:

- 20 1. David and Carol Conkey permitted Alpha Chemical Supply customers who
21 purchased iodine to refuse to state the intended product use for the chemicals
22 purchased on Alpha Chemical Supply receipts;
- 23 2. Carol Conkey occasionally permitted Alpha Chemical Supply customers to
24 make repeated purchases of iodine within a thirty day period contrary to law;
- 25 3. David and Carol Conkey frequently accepted as appropriate and truthful,
26 statements of intended product use supplied by Alpha Chemical Supply customers
27 buying iodine that were false;
- 28 4. David and Carol Conkey frequently violated State of California reporting
requirements and failed to provide copies of company purchase receipts for iodine to
the California Department of Justice as required by law.
5. David Conkey frequently replied to verbal and written warnings admonishing
him to adhere to reporting requirements by stating to drug investigators and auditors
that he would not force customers to provide a product use on sales receipts and

1 would not report the cost of items sold or any purchases made by Alpha Chemical
2 Supply.

3 6. David and Carol Conkey would accept unreadable and nonsensical product use
4 statements supplied by Alpha Chemical Supply customers purchasing iodine.

5 Overt Acts

6 In furtherance of this conspiracy and to effect and accomplish the objects of it, the
7 conspirators committed the following overt acts, among others, in the State and Northern
8 District of California and elsewhere:

9 1. In or about February, 1992 defendant DAVID CONKEY began doing
10 business as Alpha Chemical Supply at 1717 Solano Way, Suite 27, Concord,
11 California.

12 2. On or about October 2, 1992 defendant DAVID CONKEY told Drug
13 Enforcement Administration (DEA) Diversion Investigator Richard Young that he
14 would make next-day deliveries within an 80-mile radius of Concord, California to
15 individuals ordering hydriodic acid and paying for it with large amounts of cash.

16 3. On or about October 2, 1992, defendant DAVID CONKEY refused when
17 asked to tell DEA Diversion Investigator Richard Young what defendant DAVID
18 CONKEY considered to be a suspicious purchase amount of hydriodic acid, and stated
19 that his background in chemistry qualified him to recognize legitimate uses for the
20 chemicals he sold.

21 4. On or about March 30, 1993 defendant DAVID CONKEY when asked
22 refused to identify to DEA Diversion Investigation Riley the individuals to whom he
23 had reported selling eight hundred pounds of hydriodic acid in one weekend through
24 Alpha Chemical and Science, stating that he was not required by Nevada law to
25 provide that information.

26 5. On or about March 30, 1993 defendant DAVID CONKEY telephoned DEA
27 Diversion Investigator Young and California Bureau of Narcotic Enforcement (BNE)
28 Diversion Investigator Hirstein and reported that his wife CAROL CONKEY was
now the owner of Alpha Chemical Supply in California, and that defendant DAVID
CONKEY was the President of Alpha Chemical and Science in Nevada.

6. On or about February 17, 1994 defendants CAROL CONKEY and DAVID
CONKEY posted a notice at Alpha Chemical Supply in Concord referring customers
who were being "harassed" by police to Alpha Chemical and Science in Sparks,
Nevada to purchase their chemicals.

7. On or about February 17, 1994 defendant CAROL CONKEY failed to
comply with a legal requirement to produce purchase records when requested to do so
by DEA Diversion Investigator Riley, and stated that she did not know where
defendant DAVID CONKEY kept the records.

8. On or about March 31, 1994 defendants DAVID CONKEY was present at
Alpha Chemical Supply in Concord, California when CAROL CONKEY refused to
permit DEA Diversion Investigator Riley to inspect chemical purchase and sales
records.

1 9. . Beginning after in or about April 16, 1994 when hydriodic acid became a
2 listed chemical, and continuing through in or about May, 2001 defendants DAVID
3 CONKEY and CAROL CONKEY sold increasingly larger amounts of iodine and red
phosphorous and stopped selling hydriodic acid.

4 10. On or about December 4, 1994 defendant DAVID CONKEY told BNE
5 Diversion Investigator Hirstein that he had invented a process for manufacturing
hydriodic acid and might move to Mexico to manufacture hydriodic acid because there
was a market for it there.

6 11. In or about January, 1999 defendants DAVID CONKEY and CAROL
7 CONKEY delivered solicitations to individuals to purchase iodine from his business
8 in Reno, Nevada promising that all purchases would be confidential and that they
could purchase up to 50 kilograms of iodine.

9 12. On or about March 23, 1999 defendant DAVID CONKEY refused to grant
10 permission to Concord Police officers to drive through the Alpha Chemical Supply
parking lot to discourage chemical purchases by persons who intended to use the
chemicals to manufacture controlled substances.

11 13. On or about April 15, 1999 defendants DAVID CONKEY and CAROL
12 CONKEY distributed a letter to their customers warning of police presence in the area
13 and advising customers not to cooperate with police by answering their questions or
consenting to searches of their vehicles.

14 14. On or about April 15, 1999 defendant DAVID CONKEY possessed a
police radio scanner.

15 15. On or about June 30, 1999 defendants DAVID CONKEY and CAROL
16 CONKEY delivered a letter to their customers advising them not to cooperate with
17 police by providing receipts for their purchases of chemicals from Alpha Chemical
Supply, answering questions, or consenting to searches of their vehicles.

18 16. On or about August 17, 1999 defendant DAVID CONKEY refused upon
19 request to provide Alpha Chemical sales receipts for inspection by Concord Police
officers.

20 17. On or about September 3, 1999, during normal business hours, defendant
21 DAVID CONKEY locked the door to Alpha Chemical Supply with customers still
inside and refused to permit Concord police officers to enter Alpha Chemical to view
22 a receipt for the purchase of chemicals made by a suspect whom the police were
attempting to detain.

23 18. On or about September 20, 1999 defendant CAROL CONKEY refused
24 upon request to provide Alpha Chemical sales receipts for inspection by Concord
Police Sgt. Moore.

25 19. On or about September 29 and 30, 1999 defendant CAROL CONKEY
26 refused upon request to provide Alpha Chemical bulk purchase receipts for inspection
by Concord Police officers.

27 20. On or about October 1, 1999 defendant DAVID CONKEY began doing
business in Reno, Nevada as ISAN (Alpha Iodine).

28 21. On or about October 7, 1999 defendant DAVID CONKEY failed upon

1 request to provide Alpha Chemical sales receipts for inspection by Concord Police
2 officers.

3 22. In or about November, 1999 defendants DAVID CONKEY and CAROL
4 CONKEY filed a law suit in federal court for the purpose of preventing Concord
5 Police officers from successfully gathering evidence of their criminal offenses.

6 23. On or about April 5, 2000 defendant CAROL CONKEY refused upon
7 request to provide Alpha Chemical bulk purchase receipts for inspection by a Concord
8 Police officer.

9 24. Between in or about the year 1992 and in or about May, 2001, defendants
10 DAVID CONKEY and CAROL CONKEY sold to individual purchasers \$1,353,551
11 worth of iodine.

12 The Grand Jury further finds that the offenses charged in Counts Three through
13 Seven of this Indictment constituted overt acts in furtherance of the conspiracy.

14 All in violation of Title 21, United States Code, Section 846.
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1 COUNT TWO: (21 U.S.C. § 846)

2 The Grand Jury charges that:

3 Beginning at a time unknown to the Grand Jury, but not later than in and during
4 August, 1992 and continuing thereafter until at least in or about October, 2001 in the
5 County of Contra Costa, State and Northern District of California, and elsewhere,

6 DAVID CONKEY and
7 CAROL CONKEY,

8 defendants herein, willfully and knowingly did combine, conspire, confederate and agree
9 with each other and with other persons whose names are both known and unknown to the
10 Grand Jury, to distribute red phosphorous, a chemical which may be used to manufacture
11 methamphetamine, knowing and having reason to know that the red phosphorous would
12 be used to manufacture methamphetamine and to aid and abet the possession and
13 distribution of red phosphorous, in violation of Title 21, United States Code, Section 846.

14 Object of the Conspiracy

15 To sell red phosphorous to buyers for the purpose of monetary gain knowing
16 or having reason to know that the red phosphorous would be used to manufacture a
17 controlled substance: to wit, methamphetamine.

18 Means and Methods of the Conspiracy

19 The defendants and their coconspirators accomplished and attempted to accomplish
20 the objects of the conspiracy through the following means and methods:

- 21 1. David and Carol Conkey permitted Alpha Chemical Supply customers who
22 purchased red phosphorous to refuse to state the intended product use for the
chemicals purchased on Alpha Chemical Supply receipts;
- 23 2. Carol Conkey occasionally permitted Alpha Chemical Supply customers to
24 make repeated purchases of red phosphorous within a thirty day period contrary to
law;
- 25 3. David and Carol Conkey frequently accepted as appropriate and truthful,
26 statements of intended product use supplied by Alpha Chemical Supply customers
buying red phosphorous that were false;
- 27 4. David and Carol Conkey frequently violated State of California reporting
28 requirements and failed to provide copies of company purchase receipts for red
phosphorous to the California Department of Justice as required by law.

1 5. David Conkey frequently replied to verbal and written warnings
2 admonishing him to adhere to reporting requirements by stating to drug investigators
3 and auditors that he would not force customers to provide a product use on sales
4 receipts and would not report the cost of items sold or any purchases made by Alpha
5 Chemical Supply.

6 6. David and Carol Conkey would accept unreadable and nonsensical product
7 use statements supplied by Alpha Chemical Supply customers purchasing red
8 phosphorous.

9 Overt Acts

10 In furtherance of this conspiracy and to effect and accomplish the objects of it, the
11 conspirators committed the following overt acts, among others, in the State and Northern
12 District of California and elsewhere:

13 1. In or about February, 1992 defendant DAVID CONKEY began doing
14 business as Alpha Chemical Supply at 1717 Solano Way, Suite 27, Concord,
15 California.

16 2. On or about October 2, 1992 defendant DAVID CONKEY told Drug
17 Enforcement Administration (DEA) Diversion Investigator Richard Young that he
18 would make next-day deliveries within an 80-mile radius of Concord, California to
19 individuals ordering hydriodic acid and paying for it with large amounts of cash.

20 3. On or about October 2, 1992, defendant DAVID CONKEY refused when
21 asked to tell DEA Diversion Investigator Richard Young what defendant DAVID
22 CONKEY considered to be a suspicious purchase amount of hydriodic acid, and stated
23 that his background in chemistry qualified him to recognize legitimate uses for the
24 chemicals he sold.

25 4. On or about March 30, 1993 defendant DAVID CONKEY when asked
26 refused to identify to DEA Diversion Investigation Riley the individuals to whom he
27 had reported selling eight hundred pounds of hydriodic acid in one weekend through
28 Alpha Chemical and Science, stating that he was not required by Nevada law to
provide that information.

5. On or about March 30, 1993 defendant DAVID CONKEY telephoned DEA
Diversion Investigator Young and California Bureau of Narcotic Enforcement (BNE)
Diversion Investigator Hirstein and reported that his wife CAROL CONKEY was
now the owner of Alpha Chemical Supply in California, and that defendant DAVID
CONKEY was the President of Alpha Chemical and Science in Nevada.

6. On or about February 17, 1994 defendants CAROL CONKEY and DAVID
CONKEY posted a notice at Alpha Chemical Supply in Concord referring customers
who were being "harassed" by police to Alpha Chemical and Science in Sparks,
Nevada to purchase their chemicals.

7. On or about February 17, 1994 defendant CAROL CONKEY failed to
comply with a legal requirement to produce purchase records when requested to do so
by DEA Diversion Investigator Riley, and stated that she did not know where
defendant DAVID CONKEY kept the records.

1 8. On or about March 31, 1994 defendants DAVID CONKEY was present at
2 Alpha Chemical Supply in Concord, California when CAROL CONKEY refused to
3 permit DEA Diversion Investigator Riley to inspect chemical purchase and sales
4 records.

5 9. Beginning after in or about April 16, 1994 when hydriodic acid became a
6 listed chemical, and continuing through in or about May, 2001 defendants DAVID
7 CONKEY and CAROL CONKEY sold increasingly larger amounts of red phosphorus
8 and iodine and stopped selling hydriodic acid.

9 10. On or about December 4, 1994 defendant DAVID CONKEY told BNE
10 Diversion Investigator Hirstein that he had invented a process for manufacturing
11 hydriodic acid and might move to Mexico to manufacture hydriodic acid because there
12 was a market for it there.

13 11. In and during about the year 1998 defendants DAVID CONKEY and
14 CAROL CONKEY removed and stopped applying labels that identified Alpha
15 Chemical Supply as the seller of containers of red phosphorous.

16 12. On or about March 23, 1999 defendant DAVID CONKEY refused to grant
17 permission to Concord Police officers to drive through the Alpha Chemical Supply
18 parking lot to discourage chemical purchases by persons who intended to use the
19 chemicals to manufacture controlled substances.

20 13. On or about April 15, 1999 defendants DAVID CONKEY and CAROL
21 CONKEY distributed a letter to their customers warning of police presence in the area
22 and advising customers not to cooperate with police by answering their questions or
23 consenting to searches of their vehicles.

24 14. On or about April 15, 1999 defendant DAVID CONKEY possessed a
25 police radio scanner.

26 15. On or about June 30, 1999 defendants DAVID CONKEY and CAROL
27 CONKEY delivered a letter to their customers advising them not to cooperate with
28 police by providing receipts for their purchases of chemicals from Alpha Chemical
29 Supply, answering questions, or consenting to searches of their vehicles.

30 16. On or about August 17, 1999 defendant DAVID CONKEY refused upon
31 request to provide Alpha Chemical sales receipts for inspection by Concord Police
32 officers.

33 17. On or about September 3, 1999, during normal business hours, defendant
34 DAVID CONKEY locked the door to Alpha Chemical Supply with customers still
35 inside and refused to permit Concord police officers to enter Alpha Chemical to view
36 a receipt for the purchase of chemicals made by a suspect whom the police were
37 attempting to detain.

38 18. On or about September 20, 1999 defendant CAROL CONKEY refused
39 upon request to provide Alpha Chemical sales receipts for inspection by Concord
40 Police Sgt. Moore.

41 19. On or about September 29 and 30, 1999 defendant CAROL CONKEY
42 refused upon request to provide Alpha Chemical bulk purchase receipts for inspection
43 by Concord Police officers.

1 20. On or about October 1, 1999 defendant DAVID CONKEY began doing
2 business in Reno, Nevada as ISAN (Alpha Iodine).

3 21. On or about October 7, 1999 defendant DAVID CONKEY failed upon
4 request to provide Alpha Chemical sales receipts for inspection by Concord Police
5 officers.

6 22. In or about November, 1999 defendants DAVID CONKEY and CAROL
7 CONKEY filed a law suit in federal court for the purpose of preventing Concord
8 Police officers from successfully gathering evidence of their criminal offenses.

9 23. On or about April 5, 2000 defendant CAROL CONKEY refused upon
10 request to provide Alpha Chemical bulk purchase receipts for inspection by a Concord
11 Police officer.

12 24. Between in or about the year 1992 and in or about May, 2001, defendants
13 DAVID CONKEY and CAROL CONKEY sold to individual purchasers \$338,537
14 worth of red phosphorous.

15 The Grand Jury further finds that the offenses charged in Counts Eight through
16 Thirteen of this Indictment constituted overt acts in furtherance of the conspiracy.

17 All in violation of Title 21, United States Code, Section 846.
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1 COUNT THREE: (21 U.S.C. §841(c)(2))

2 On or about September 22, 1998, in the State and Northern District of California,
3 the defendant

4 CAROL CONKEY

5 did possess and distribute a List II listed chemical, to wit: 908 grams of iodine, knowing
6 and having reasonable cause to believe that it would be used to manufacture
7 methamphetamine, in violation of Title 21, United States Code, Section 841(c)(2).

8
9 COUNT FOUR: (21 U.S.C. §841(c)(2))

10 On or about October 13, 1998, in the State and Northern District of California, the
11 defendant

12 CAROL CONKEY

13 did possess and distribute a List II listed chemical, to wit: 2,270 grams of iodine, knowing
14 and having reasonable cause to believe that it would be used to manufacture
15 methamphetamine, in violation of Title 21, United States Code, Section 841(c)(2).

16
17 COUNT FIVE: (21 U.S.C. §841(c)(2))

18 On or about March 16, 1999, in the State and Northern District of California, the
19 defendants

20 CAROL CONKEY

21 did possess and distribute a List II listed chemical, to wit: 228 grams of iodine, knowing
22 and having reasonable cause to believe that it would be used to manufacture
23 methamphetamine, in violation of Title 21, United States Code, Section 841(c)(2).

1 COUNT SIX: (21 U.S.C. §841(c)(2))

2 On or about August 16, 1999, in the State and Northern District of California, the
3 defendant

4 DAVID CONKEY

5 did possess and distribute a List II listed chemical, to wit: 454 grams of iodine, knowing
6 and having reasonable cause to believe that it would be used to manufacture
7 methamphetamine, in violation of Title 21, United States Code, Section 841(c)(2).

8
9 COUNT SEVEN: (21 U.S.C. §841(c)(2))

10 On or about October 6, 1999, in the State and Northern District of California, the
11 defendant

12 CAROL CONKEY

13 did possess and distribute a List II listed chemical, to wit: 2,270 grams of iodine, knowing
14 and having reasonable cause to believe that it would be used to manufacture
15 methamphetamine, in violation of Title 21, United States Code, Section 841(c)(2).

16
17 COUNT EIGHT: (21 U.S.C. §843(a)(6) and (7))

18 On or about January 12, 2000, in the State and Northern District of California, the
19 defendant

20 CAROL CONKEY

21 did possess and distribute a chemical, product or material, to wit: 114 grams of red
22 phosphorous, which may be used to manufacture a controlled substance or listed
23 chemical, knowing, intending, or having reasonable cause to believe that the red
24 phosphorous would be used to manufacture methamphetamine, in violation of Title 21,
25 United States Code, Section 843(a)(6) and (7).

1 COUNT NINE: (21 U.S.C. §843(a)(6) and (7))

2 On or about March 2, 2000, in the State and Northern District of California, the
3 defendant

4 CAROL CONKEY

5 did possess and distribute a chemical, product or material, to wit: 114 grams of red
6 phosphorous, which may be used to manufacture a controlled substance or listed
7 chemical, knowing, intending, or having reasonable cause to believe that the red
8 phosphorous would be used to manufacture methamphetamine, in violation of Title 21,
9 United States Code, Section 843(a)(6) and (7).

10
11 COUNT TEN: (21 U.S.C. §843(a)(6) and (7))

12 On or about April 26, 2000, in the State and Northern District of California, the
13 defendant

14 CAROL CONKEY

15 did possess and distribute a chemical, product or material, to wit: 114 grams of red
16 phosphorous, which may be used to manufacture a controlled substance or listed
17 chemical, knowing, intending, or having reasonable cause to believe that the red
18 phosphorous would be used to manufacture methamphetamine, in violation of Title 21,
19 United States Code, Section 843(a)(6) and (7).

20
21 COUNT ELEVEN: (21 U.S.C. §843(a)(6) and (7))

22 On or about August 28, 2000, in the State and Northern District of California, the
23 defendant

24 CAROL CONKEY

25 did possess and distribute a chemical, product or material, to wit: 114 grams of red
26 phosphorous, which may be used to manufacture a controlled substance or listed
27 chemical, knowing, intending, or having reasonable cause to believe that the red
28 phosphorous would be used to manufacture methamphetamine, in violation of Title 21,

1 United States Code, Section 843(a)(6) and (7).

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3 COUNT TWELVE: (21 U.S.C. §843(a)(6) and (7))

4 On or about December 7, 2000, in the State and Northern District of California, the
5 defendant

6 CAROL CONKEY

7 did possess and distribute a chemical, product or material, to wit: 114 grams of red
8 phosphorous, which may be used to manufacture a controlled substance or listed
9 chemical, knowing, intending, or having reasonable cause to believe that the red
10 phosphorous would be used to manufacture methamphetamine, in violation of Title 21,
11 United States Code, Section 843(a)(6) and (7).

12
13 COUNT THIRTEEN: (21 U.S.C. §843(a)(6) and (7))

14 On or about February 14, 2001, in the State and Northern District of California, the
15 defendant

16 CAROL CONKEY

17 did possess and distribute a chemical, product or material, to wit: 114 grams of red
18 phosphorous, which may be used to manufacture a controlled substance or listed
19 chemical, knowing, intending, or having reasonable cause to believe that the red
20 phosphorous would be used to manufacture methamphetamine, in violation of Title 21,
21 United States Code, Sections 843(a)(6) and (7).

1 COUNT FOURTEEN: (18 U.S.C. § 1957(a) - Engaging in Monetary Transactions in
2 Property Derived From Specified Unlawful Activity)

3 Counts One through Seven of this Indictment are incorporated by reference as
4 though fully set forth in this count.

5 On or about October 12, 1999, in the Northern District of California, the defendant

6 DAVID CONKEY

7 knowingly engaged in a monetary transaction as defined in 18 U.S.C. § 1957(f)(1) by
8 depositing currency of the United States into a California Federal Bank business checking
9 account #0244019857 using criminally derived property of a value greater than \$10,000,
10 to wit: \$15,000, which was derived from the commission of specified unlawful activity, to
11 wit: the conspiracies to distribute iodine and red phosphorous, and the individual sales of
12 iodine, all of which are set forth in Counts One through Seven above; in violation of Title
13 18, United States Code, Section 1957(a).

14 COUNT FIFTEEN: (18 U.S.C. § 1957(a) - Engaging in Monetary Transactions in
15 Property Derived From Specified Unlawful Activity)

16 Counts One through Thirteen of this Indictment are incorporated by reference as
17 though fully set forth in this count.

18 On or about June 5, 2000, in the Northern District of California, the defendant

19 CAROL CONKEY

20 knowingly engaged in a monetary transaction as defined in 18 U.S.C. § 1957(f)(1) by
21 depositing currency of the United States into a California Federal Bank business checking
22 account #0244019857 using criminally derived property of a value greater than \$10,000,
23 to wit: \$15,000, which was derived from the commission of specified unlawful activity, to
24 wit: the conspiracies to distribute iodine and red phosphorous, and the individual sales of
25 iodine and red phosphorous, all of which are set forth in Counts Three through Thirteen
26 above, in violation of Title 18, United States Code, Section 1957(a).

1 COUNTS SIXTEEN: (18 U.S.C. § 1956 – Laundering of Monetary Instruments)

2 Counts One through Seven above are incorporated by reference as if fully set forth
3 herein.

4 On or about December 1, 1999, in the Northern District of California, and
5 elsewhere, the defendant

6 DAVID CONKEY

7 did knowingly and intentionally conduct and attempt to conduct the following monetary
8 transaction affecting interstate commerce, to wit: the purchase of 900 kilograms of iodine
9 by means of a cashiers check in the amount of \$17,550 payable to SQM North America,
10 located in Atlanta, Georgia, knowing that the funds utilized in the transaction represented
11 the proceeds of a specified unlawful activity, to wit: the conspiracies to distribute iodine
12 and red phosphorous, and the individual sales of iodine, all of which are set forth in
13 Counts One through Seven above with the intent to promote the carrying on of said
14 specified unlawful activity and knowing that the money involved in such financial
15 transactions represented the proceeds of said form of unlawful activity, in violation of
16 Title 18, United States Code, Section 1956(a)(1)(A)(i).

17
18 COUNT SEVENTEEN: (18 U.S.C. § 1956 – Laundering of Monetary
19 Instruments)

20 Count One through Eight are incorporated by reference as if fully set forth herein.

21 On or about February 4, 2000, in the Northern District of California, and
22 elsewhere, the defendant

23 DAVID CONKEY

24 did knowingly and intentionally conduct and attempt to conduct the following monetary
25 transaction affecting interstate commerce, to wit: the purchase of 900 kilograms of iodine
26 for \$16,200 from SQM North America, located in Atlanta, Georgia, knowing that the
27 funds utilized in the transaction represented the proceeds of a specified unlawful activity,
28 to wit: the conspiracies to distribute iodine and red phosphorous, and the individual sales

1 of iodine, all of which are set forth in Counts One through Eight above with the intent to
2 promote the carrying on of said specified unlawful activity and knowing that the money
3 involved in such financial transactions represented the proceeds of said form of unlawful
4 activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

5
6 COUNT EIGHTEEN: (18 U.S.C. § 982(a)(1) and 21 U.S.C. § 853)

7 The Grand Jury further charges that:

8 The allegations of Counts One through Seventeen of this Indictment are realleged
9 and incorporated herein.

10 As a result of the offenses alleged in Counts One through Seventeen above, the
11 defendants

12 DAVID CONKEY and
13 CAROL CONKEY

14 shall forfeit to the United States property as proceeds obtained directly and indirectly, as a
15 result of said violations.

16 The property to be forfeited by the defendants includes but is not limited to the
17 following property:

- 18 a. A parcel of land, including any improvements, located at 109 Stonehurst
19 Court, Martinez, California, 94553, identified by Assessor's Parcel
20 Number 367-220-017, and more particularly described as follows:

21 LOT: 41; CITY: UNINCORPORATED; SUBDIVISION:
22 SUBDIVISION 7091; RECORDER'S MAP REFERENCE: MB356
23 PG25;

- 24 b. A parcel of land, including any improvements, located at 5300 Stonehurst
25 Drive, Martinez, California 94553-9721, identified by Assessor's Parcel
26 Number 367-220-001, and more particularly described as follows:

CITY: UNINCORPORATED; Tract 7091, Lot 1.

If, as a result of any act or omission of the defendant, any of said property

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which without difficulty cannot be subdivided;

then the defendants shall forfeit to the United States any and all interest each has in any other property (not to exceed the value of the above forfeitable property).

All in violation of Title 18, United States Code, Section 982(a)(1) and Title 21, United States Code, Section 853(a)(1) and (p).

DATED:

A TRUE BILL.

FOREPERSON

KEVIN V. RYAN
United States Attorney

JONATHAN HOWDEN
Chief, Organized Crime Drug
Enforcement Task Force

(Approved as to form: _____)
AUSA Davis